

Barack Obama's Plan

Quality, Affordable and Portable Coverage for All

Obama's Plan to Cover Uninsured Americans: Obama will make available a new national health plan to all Americans, including the self-employed and small businesses, to buy affordable health coverage that is similar to the plan available to members of Congress. The Obama plan will have the following features:

- **Guaranteed eligibility.** No American will be turned away from any insurance plan because of illness or pre-existing conditions.
- **Comprehensive benefits.** The benefit package will be similar to that offered through Federal Employees Health Benefits Program (FEHBP), the plan members of Congress have. The plan will cover all essential medical services, including preventive, maternity and mental health care.
- **Affordable premiums, co-pays and deductibles.**
- **Subsidies.** Individuals and families who do not qualify for Medicaid or SCHIP but still need financial assistance will receive an income-related federal subsidy to buy into the new public plan or purchase a private health care plan.
- **Simplified paperwork and reined in health costs.**
- **Easy enrollment.** The new public plan will be simple to enroll in and provide ready access to coverage.
- **Portability and choice.** Participants in the new public plan and the National Health Insurance Exchange (see below) will be able to move from job to job without changing or jeopardizing their health care coverage.
- **Quality and efficiency.** Participating insurance companies in the new public program will be required to report data to ensure that standards for quality, health information technology and administration are being met.

National Health Insurance Exchange: The Obama plan will create a National Health Insurance Exchange to help individuals who wish to purchase a private insurance plan. The Exchange will act as a watchdog group and help reform the private insurance market by creating rules and standards for participating insurance plans to ensure fairness and to make individual coverage more affordable and accessible. Insurers would have to issue every applicant a policy, and charge fair and stable premiums that will not depend upon health status. The Exchange will require that all the plans offered are at least as generous as the new public plan and have the same standards for quality and efficiency. The Exchange would evaluate plans and make the differences among the plans, including cost of services, public.

Employer Contribution: Employers that do not offer or make a meaningful contribution to the cost of quality health coverage for their employees will be required to contribute a percentage of payroll toward the costs of the national plan. Small employers that meet certain revenue thresholds will be exempt.

Mandatory Coverage of Children: Obama will require that all children have health care coverage. Obama will expand the number of options for young adults to get coverage, including allowing young people up to age 25 to continue coverage through their parents' plans.

Expansion Of Medicaid and SCHIP: Obama will expand eligibility for the Medicaid and SCHIP programs and ensure that these programs continue to serve their critical safety net function.

Flexibility for State Plans: Due to federal inaction, some states have taken the lead in health care reform. The Obama plan builds on these efforts and does not replace what states are doing. States can continue to experiment, provided they meet the minimum standards of the national plan.

Lower Costs by Modernizing The U.S. Health Care System

Reducing Costs of Catastrophic Illnesses for Employers and Their Employees:

Catastrophic health expenditures account for a high percentage of medical expenses for private insurers. The Obama plan would reimburse employer health plans for a portion of the catastrophic costs they incur above a threshold if they guarantee such savings are used to reduce the cost of workers' premiums.

Helping Patients:

- Support disease management programs. Seventy five percent of total health care dollars are spent on patients with one or more chronic conditions, such as diabetes, heart disease and high blood pressure. Obama will require that providers that participate in the new public plan, Medicare or the Federal Employee Health Benefits Program (FEHBP) utilize proven disease management programs. This will improve quality of care, give doctors better information and lower costs.
- Coordinate and integrate care. Over 133 million Americans have at least one chronic disease and these chronic conditions cost a staggering \$1.7 trillion yearly. Obama will support implementation of programs and encourage team care that will improve coordination and integration of care of those with chronic conditions.
- Require full transparency about quality and costs. Obama will require hospitals and providers to collect and publicly report measures of health care costs and quality, including data on preventable medical errors, nurse staffing ratios, hospital-acquired infections, and disparities in care. Health plans will also be required to disclose the percentage of premiums that go to patient care as opposed to administrative costs.

Ensuring Providers Deliver Quality Care:

- **Promote patient safety.** Obama will require providers to report preventable medical errors and support hospital and physician practice improvement to prevent future occurrences.
- **Align incentives for excellence.** Both public and private insurers tend to pay providers based on the volume of services provided, rather than the quality or effectiveness of care. Providers who see patients enrolled in the new public plan, the National Health Insurance Exchange, Medicare and FEHBP will be rewarded for

achieving performance thresholds on outcome measures.

- **Comparative effectiveness research.** Obama will establish an independent institute to guide reviews and research on comparative effectiveness, so that Americans and their doctors will have the accurate and objective information they need to make the best decisions for their health and well-being.
- **Tackle disparities in health care.** Obama will tackle the root causes of health disparities by addressing differences in access to health coverage and promoting prevention and public health, both of which play a major role in addressing disparities. He will also challenge the medical system to eliminate inequities in health care through quality measurement and reporting, implementation of effective interventions such as patient navigation programs, and diversification of the health workforce.
- **Insurance reform.** Obama will strengthen antitrust laws to prevent insurers from overcharging physicians for their malpractice insurance and will promote new models for addressing errors that improve patient safety, strengthen the doctor-patient relationship and reduce the need for malpractice suits.

Lowering Costs Through Investment in Electronic Health Information Technology

Systems: Most medical records are still stored on paper, which makes it hard to coordinate care, measure quality or reduce medical errors and which costs twice as much as electronic claims. Obama will invest \$10 billion a year over the next five years to move the U.S. health care system to broad adoption of standards-based electronic health information systems, including electronic health records, and will phase in requirements for full implementation of health IT. Obama will ensure that patients' privacy is protected.

Lowering Costs by Increasing Competition in the Insurance and Drug Markets: The insurance business today is dominated by a small group of large companies that has been gobbling up their rivals. There have been over 400 health care mergers in the last 10 years, and just two companies dominate a full third of the national market. These changes were supposed to make the industry more efficient, but instead premiums have skyrocketed by over 87 percent.

- Barack Obama will prevent companies from abusing their monopoly power through unjustified price increases. His plan will force insurers to pay out a reasonable share of their premiums for patient care instead of keeping exorbitant amounts for profits and administration. His new National Health Exchange will help increase competition by insurers.
- **Lower prescription drug costs.** The second-fastest growing type of health expense is prescription drugs. Pharmaceutical companies are selling the exact same drugs in Europe and Canada but charging Americans more than double the price. Obama will allow Americans to buy their medicines from other developed countries if the drugs are safe and prices are lower outside the U.S. He will repeal the ban that prevents the government from negotiating with drug companies, with savings as high as \$30 billion. Finally, Obama will work to increase the use of generic drugs in Medicare, Medicaid, and FEHBP and prohibit big name drug companies from keeping generics out of markets.